



Irish Life Weekly Investment Bulletin

The week that was – WEEK 42 (ending 14/10/2016)

“I'm just glad to be feeling better. I really thought I'd be seeing Elvis soon.” – Bob Dylan

Irish inflation 0% between September 2015 and 2016 – According to new data by the Central Statistics Office (CSO), prices on average, as measured by the CPI, remained unchanged in September compared to September 2015. Ireland's annual inflation rate was 0.5% in July but has reduced each month since then.

Fed minutes suggest U.S. rate rise in December – The minutes of the September meeting of the Federal Open Market Committee (FOMC), show that several officials felt a rate increase is needed “fairly soon”. The FOMC next meets in November, just before the presidential election so many expect a December rise instead.

Global stock market down 0.7% on the week – The World stock market (MSCI AC World) had a -0.73% return from 7th October to 14th October after some conflicting China economic figures and expectations of a U.S. interest rate in December strengthened. The Volatility Index (VIX) rose to 15.2 from 13.4 over the week.

Chinese producer prices rise for first time in nearly five years but exports and imports decline – The producer-price index rose 0.1% in September year-on-year, the first rise since January 2012 whereas exports and imports came in below expectations with falls of 10.0% and 1.9% respectively from 2015 in dollar terms.

U.S. reports strong retail sales and producer prices data – The Commerce Department reported that retail sales increased 0.6% after declining 0.2% in August after a surge in motor vehicle purchases and a rise in discretionary spending. Producer prices recorded their biggest year-on-year increase since December 2014.

Oil prices hit one-year high – Oil prices jumped nearly 3% last Monday, with Brent hitting a one-year high, after Russia said it was ready to join OPEC in slowing crude output and Algeria called for similar commitments from other non-OPEC producers. However there were conflicting signals afterwards from Russian officials.

The Story of the week: London may be one of the most expensive cities in the world, but not if you are one of the U.S. tourists on the prowl for a Louis Vuitton handbag. According to research from Deloitte, items from the designer and other luxury goods sector now cost less in Britain in dollar terms than anywhere else after the fall in sterling since the Brexit vote. According to the research, which was prepared for the Wall Street Journal, a Speedy 30 handbag from Louis Vuitton cost £645 in London as of 7 October, or \$802. That compared to €760 (\$850) in Paris and \$970 in New York. In China the handbag costs 7,450 yuan, or \$1,115.

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Index Performances and Market Data*

Equity Markets % (in Local Currency)	2011	2012	2013	2014	2015	2016 YTD (to 14/10)
ISEQ Overall Return	2.6	20.5	35.8	16.8	33.6	-11.8
FTSE 100 TR	-2.2	10.0	18.7	0.7	-1.3	16.1
Euro Stoxx 50 TR	-14.1	18.1	21.5	4.0	6.4	-4.9
S&P 500 TR	2.1	16.0	32.4	13.7	1.4	6.2
Nasdaq Composite	-1.8	15.9	38.3	13.4	5.7	4.1
Nikkei 225	-17.3	22.9	56.7	7.1	9.1	-11.4
MSCI Emerging Markets	-14.9	13.9	0.9	2.6	-8.0	9.2
MSCI AC World	-8.5	13.2	22.9	7.2	-0.7	2.2
Sovereign 10yr Bond Yields (%)	2011	2012	2013	2014	2015	2016 YTD
U.S.	1.9	1.7	3.0	2.2	2.2	1.8
German	1.8	1.4	1.9	0.5	0.6	0.1
UK	2.0	1.9	3.0	1.9	1.9	1.2
Japan	1.0	0.7	0.7	0.3	0.2	-0.1
Ireland	8.4	4.5	3.4	1.3	1.1	0.5
Italy	7.1	4.6	4.1	2.1	1.6	1.4
Greece	31.7	12.7	8.2	9.6	7.9	8.2
Portugal	13.4	6.9	6.1	2.7	2.5	3.2
Spain	5.1	5.4	4.1	1.6	1.7	1.1
Central Bank Rates (%)	2011	2012	2013	2014	2015	2016 YTD
ECB	1	0.75	0.25	0.05	0.05	0.0
Bank of England	0.5	0.5	0.25	0.50	0.50	0.25
U.S. Federal Reserve	0.25	0.25	0.25	0.25	0.50	0.50
Foreign Exchange Rates	2011	2012	2013	2014	2015	2016 YTD
Euro/Dollar (€/\$)	1.30	1.31	1.37	1.21	1.09	1.10
Euro/Sterling (€/£)	0.83	0.81	0.83	0.78	0.75	0.90
Sterling/Dollar (£/\$)	1.55	1.61	1.65	1.56	1.46	1.22
IPD All Property Return (%)	2011	2012	2013	2014	2015	2016
Ireland	-2.4	3.1	12.7	40.1	25.0	6.3 (to end of Q2)
U.K.	8.1	2.7	10.7	17.8	13.1	2.5 (to end of Q2)
U.S.	14.5	5.3	11.4	11.2	12.1	4.1 (to end of Q2)

*Past performance is not a reliable guide to future performance

